

GAMING UPDATE

Volume 12, Edition 2

June 1998



Renewal Time is Once Again Here

All bingo, pickle card, and lottery/raffle licenses will expire at midnight on September 30, 1998 (county/city lottery

licenses and licenses for manufacturers, distributors, and manufacturer-distributors will not expire until 1999). In order to continue your charitable gaming activities on October 1, 1998, you must have physical possession of the 1998-99 licenses and authorizations. To identify the 1998-99 licenses, please look at the expiration date printed in the lower left-hand corner of the license. The new licenses will show an expiration date of September 30, 1999. **If you do not have your 1998-99 license(s) as of October 1, 1998, all charitable gaming activities must cease until such time as you are issued the proper license(s). No exceptions will be allowed.**

PLEASE NOTE THAT WE WILL NOT BEGIN MAILING LICENSES UNTIL THE LATTER PART OF SEPTEMBER EVEN THOUGH THE APPLICATION MAY HAVE COMPLETED PROCESSING PRIOR TO THAT DATE.

All nonprofit organizations currently licensed for bingo, pickle card, or lottery/raffle activities and businesses currently licensed as pickle card operators or commercial lessors should have received their

appropriate annual package of license renewal applications from the Charitable Gaming Division by now. **If you have not received this information**, you should review the mailing address listed currently on your gaming licenses. This mailing address reflects the

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Count Your Pickle Cards On The 30th!

Just a reminder that all nonprofit organizations holding a Class I or Class II pickle card license will **need to take a physical inventory** of their pickle card units on hand as of midnight, June 30th. This inventory is needed to accurately complete your Annual Report which must be filed by August 17th. The inventory should include units in play at your designated premises (club facility) and/or bingo games. Class II organizations should also be sure to include units which may be in the possession of a sales agent and not yet sold to a pickle card operator. You can use the reverse side of Form 35A - Schedule II of your Annual Report form to record your inventory; that way you will be assured of listing all the needed information. Happy counting!

And Another Reminder....

If you need to come to the Lincoln or Omaha office for help with your annual reports, license renewal forms, or for any other reason, it is best to call ahead and **make an appointment**. We are always happy to assist you, however, this time of year becomes extremely hectic for the Charitable Gaming Division. We want to ensure that staff members are available and able to devote their uninterrupted time and attention to your specific needs, so please remember to call for an appointment.

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Renewal Time (cont.)

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information we have on record, and all correspondence regarding your gaming activities has been mailed to that address. If you are unable to locate your renewal package, please contact our office as soon as possible so that we can mail duplicate information to you.

Pickle card operators: Your license renewal application must be received by our office or postmarked no later than **August 3**. Extensions will not be granted. **If you submit your renewal application after August 3, you may not have physical possession of your 1998-99 license as of October 1.** This means you can not continue to sell pickle cards until you have possession of the 1998-99 license. You may also be subject to an administrative fine due to late filing.

- ✓ Pickle card operator applications must be signed by a business owner, partner, corporate officer, or a person authorized by Power of Attorney on file with the Department of Revenue. Information pertaining to the owners, partners or officers we currently have on file for your business will be printed on the

license renewal application for you to review. One of these individuals must sign the application. Signatures of a manager or other employees who do not have ownership interest in the business will not be accepted. You must include the **\$50.00** licensing fee with the application. Incomplete or improperly signed applications will be returned.

- ✓ If there has been a change of ownership in your business, the new owner(s) will **NOT** be allowed to use the computer-generated license renewal application. The new owner(s) must complete and file a Nebraska Application for Pickle Card Operator, Form 50D. Forms are available upon request from the Charitable Gaming Division.

Nonprofit organizations: An application to renew a bingo or pickle card license must be received by our office or postmarked no later than **August 17** (unless your application relates only to a limited period bingo occasion or special function pickle card sales authorization). Extensions will not be granted. **If you submit your renewal applications after August 17,**

NEBRASKA DEPARTMENT OF REVENUE

STATE TAX COMMISSIONER — M. BERRI BALKA

Charitable Gaming Division Administrator — Jim Bogatz

Investigation Division Administrator — Greg Schnasse

Charitable Gaming Division Managers — Steve Schatz, Policy/Licensing Gerald Otoupal, Audit

WHO TO CONTACT FOR

Audits, Annual and Quarterly Reports, and Tax Returns

Gerald Otoupal	471-5940
Gene Weiner	471-5953

Pickle Card Receipt Books

Mary Gropp	471-5937
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Licenses, Authorizations, Permits, Device Decals, and Forms

Sharon French	471-5939
Carri Fitzgerald	471-5949

Bingo, Pickle Card, and Lottery/Raffle Game Conduct

Deb Weber	471-5944
Steve Schatz	471-5943

County/City Lottery Licensing and Game Conduct

Steve Schatz	471-5943
Linda Knox	471-5945

County/City Lottery Audit and Tax Returns

Gerald Otoupal	471-5940
Pete Andersen	471-5936

Investigations, Complaints, and Fingerprints

Greg Schnasse	471-5941
Mike Olsen	471-5948

Inspections

Merle Reiling	471-5947
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Legal Proceedings

Todd Bornhoft	471-5925
Jean Angell	471-5684

Renewal Time (Cont.)

you may not have physical possession of your 1998-99 license as of October 1. This means you can not continue to conduct bingo or sell pickle cards until you have possession of your 1998-99 license(s). You may also be subject to an administrative fine due to late filing. **Some items to review prior to submitting your renewal include:**

- ✓ **Lottery/Raffle License Renewals:** These must be submitted at least 30 days prior to the date your organization plans to begin selling tickets. **In addition, this year you must complete and attach the Lottery/Raffle Supplemental Questionnaire.**
- ✓ **Correct Fees:** The fees required for each type of license are indicated on the license renewal applications and are located at the top of the forms. Please recheck the amount to be remitted; your renewal application cannot be processed with insufficient license fees.
- ✓ **Correct Signature(s):** Required signatures must be in the designated areas on all applications submitted, and must be original signatures; no photocopies will be accepted. Each applicant for a license as utilization of funds member, sales agent, gaming manager and the person designated as bingo chairperson must sign the renewal forms in the space provided. An officer who is listed on the renewal form as one of your current officers must also sign in the space provided.
- ✓ **Pickle Card Operator Authorizations:** All authorizations submitted by Class II pickle card license applicants must be signed by a utilization of funds member who is renewing his or her license, or by someone being added as a utilization of funds member for the 1998-99 license year. The authorizations must also contain the signature of an owner, partner, or corporate officer of the pickle card operator, or other person authorized by Power of Attorney on file with the Department. **All authorizations must contain original signatures.**
- ✓ **Submit Your Annual Reports.** Organizations holding an active bingo, pickle card, or lottery/raffle license during any portion of the period July 1, 1997

through June 30, 1998, **must** complete and submit the appropriate annual report for each activity. Licenses for the 1998-99 license year will not be issued until all required annual reports have been submitted. Each page of the annual report and all required attachments must be provided for us to process your license renewal application. If possible, please include the annual report(s) with your license renewal application. Remember, annual reports are due by August 17, even if you do not renew your gaming license(s).

Pickle card operator license renewal applications postmarked on or before August 3, and organization license renewal applications for bingo and/or pickle cards postmarked on or before August 17, will receive priority. License renewal applications will be reviewed in the order in which they are received, so the sooner your application is submitted, the sooner it can be reviewed for processing.

When calling or writing to us please identify your organization or business name as it appears on your charitable gaming license, and your state identification number (the 35-XXXXXX number printed in the upper right hand-corner of your license). If you call to inquire about the status of your license renewal application, we will only be able to tell you if the application has been received, whether or not it was submitted by the due date, and whether or not the license(s) have been issued. We will not be able to tell you exactly where your application is in the review process.

License renewal applications submitted with insufficient license fees, missing or incorrect signatures, or missing or improperly completed forms will be returned for correction. A letter will be included outlining what is needed in order to process the application. To avoid delay, please read the instructions provided with the forms and recheck the forms before submitting them. If you have any questions regarding license renewal, please call us. By calling us with questions **prior** to the submission of your renewal applications, many problems may be avoided.

Licensing Restrictions May Affect Your Renewals

****Please Read Carefully****

In preparing your 1998-99 license renewal application, please be mindful that the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, and the Nebraska Pickle Card Lottery Act set forth various licensing restrictions which are intended to prevent an individual from having different licensing responsibilities within the same organization or among several different organizations. Included are the following restrictions:

Gaming Manager: An individual licensed as a gaming manager cannot be designated as a bingo chairperson or alternate bingo chairperson nor can an individual licensed as a gaming manager hold any other type of license issued under the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, or the Nebraska Pickle Card Lottery Act (see section 9-232.01(6) of the Nebraska Bingo Act).

Utilization of Funds Member and Sales Agent:

An individual licensed as a utilization of funds member cannot be licensed as a sales agent nor can an individual licensed as a utilization of funds member hold any other type of license issued under the Nebraska Bingo Act, the Nebraska Lottery and Raffle Act, or the Nebraska Pickle Card Lottery Act. However, an individual licensed as a utilization of funds member may be designated as a bingo chairperson or alternate bingo chairperson (see section 9-232.01(7) of the Nebraska Bingo Act and section 9-329(2) of the Nebraska Pickle Card Lottery Act). **Additionally, an individual licensed as a utilization of funds member or sales agent cannot be an owner, partner in a partnership, member in a limited liability company, or corporate officer or director of a business licensed as a pickle card operator or have any interest, directly or indirectly in a business licensed as a pickle card operator (see section 9-329.03 (3) of the Nebraska Pickle Card Lottery Act and Regulation 35-309.09 of the Pickle Card Regulations).**

An individual licensed as a sales agent who is an officer, trustee, or on the board of directors or governing committee of the licensed organization for which he or she will be licensed as a sales agent cannot receive any commission, salary, or other

compensation for his or her work as a sales agent. However, reimbursement for reasonable and necessary expenses incurred by the sales agent is permissible to the extent the licensed organization does not exceed on an annual basis the overall eight percent of definite profit expense limitation (see section 9-329.01 of the Nebraska Pickle Card Lottery Act and Regulation 35-308.03A of the Pickle Card Regulations).

Pickle Card Operators: If you are renewing your pickle card operator's license, you are reminded that the Nebraska Pickle Card Lottery Act and corresponding administrative regulations limit the other type(s) of involvement a sole proprietor, partner in a partnership, member in a limited liability company, or officer or director of a corporation licensed as a pickle card operator may have in a lottery by the sale of pickle cards. The following restrictions apply:

- ✓ A sole proprietor, partner in a partnership, member in a limited liability company, or officer or director of a corporation licensed as a pickle card operator **cannot be licensed as a utilization of funds member or sales agent** for any licensed organization conducting a lottery by the sale of pickle cards (see section 9-329.03(3) of the Act and Regulation 35-309.09).
- ✓ A sole proprietor, partner in a partnership, member in a limited liability company, or officer or director of a corporation licensed as a pickle card operator **cannot be an officer, trustee, or on the board of directors or governing committee** of the licensed organization(s) for which he or she will be selling pickle cards (see section 9-329.03(4) of the Act).

If you potentially have any of these conflicts, please contact the Charitable Gaming Division to determine the options you have to resolve the situation. Failure to disclose a material fact to the division relative to your license application may be considered grounds for denial of your license application.

Organizations Will See Minor Changes to Pickle Card Annual Report, Form 35A

The Audit Section of the Charitable Gaming Division has made some minor revisions which you will notice on the 1997-98 and 1998-99 Annual Report Form - 35A, for pickle cards. The changes pertain to the recording of the gross proceeds of each pickle card unit.

The first change which you will see on this year's reporting forms will affect how you take inventory of your pickle cards on June 30th of this year. When taking inventory this year, **you will need to record the gross proceeds** in addition to the name, price, form number, serial number, and definite profit of each pickle card unit.

The second change, which will affect next year's report, pertains to the calculation of the number of pickle card units sold. This change will require that effective with the new annual reporting period beginning July 1, 1998, you start keeping track of the total amount of gross proceeds of the pickle card units your organization has sold, purchased, or reported in inventory for the 1998-99 reporting year. **This amount will have to be reported on next year's Annual Report**, on Form 35A, Part B, page 3, column H - Gross Proceeds. The gross proceeds for the pickle card units you purchased can be found on the invoices you receive from your distributors. If you have any questions about these changes, please be sure to contact the Charitable Gaming Division.

New "Sample Check Ledgers" Now Available

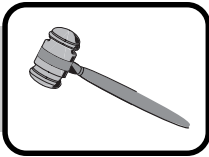
The Audit Section of the Charitable Gaming Division has developed three new record keeping aids which are titled "Sample Check Ledger" for bingo, pickle card, and lottery/raffle activity to assist organizations in recording information needed to prepare their required annual reports for these gaming activities. All organizations licensed to conduct bingo, pickle card, and lottery or raffle activities are required to maintain complete and accurate books and records of their gaming activity. The Sample Check Ledgers, if used as a guide, will aid organizations in developing an adequate check register which will assist in the preparation and timely filing of annual reports. Each Sample Check Ledger is formatted so that its column totals for revenues, deposits, and disbursements specify the page and line of the annual report where the information is to be reported. These Sample Check Ledgers will be sent to all organizations with their annual license renewal packages.

Gambling Convictions Can Jeopardize Charitable Gaming Licenses

Some confusion has apparently arisen among our licensees regarding the impact of a gambling conviction upon their license status. There is a common belief that since our division only monitors charitable gaming activities, for example - bingo, pickles, keno, etc., that we are only concerned with violations stemming from these activities. This is simply not the case. The various gaming statutes give us the authority to revoke or suspend a license, or deny a license application for "cause." "Cause" includes instances in which the licensee or applicant has been convicted of or plead guilty or nolo contendere (no contest) to offenses involving fraud, theft, or gambling activities. It doesn't matter that the offense may only have been a misdemeanor - the statute applies to both felonies and misdemeanors.

Likewise, it doesn't matter that the offense may have been for gambling activities beyond those which we regulate. The term "gambling activities" refers to more than just charitable gaming activities. **This includes offenses such as using an illegal video slot machine on your premises, conducting an illegal football pool, conducting bookmaking operations, or hosting a casino night where blackjack, poker, or craps are played.** Although it is true that the Charitable Gaming Division does not regulate or enforce violations of these activities, we do have the power, as previously noted, to revoke or suspend your gaming license, or deny your license application if appropriate authorities (your local county attorney or the Attorney General) determine to seek action and obtain a conviction or guilty plea for such activities.

Be advised that we have successfully maintained these types of sanctions in the past and will continue to do so. The non-charitable gaming illegal activities previously mentioned are only some of the more common types of illegal gambling which occur. If you are considering conducting a non-charitable gaming activity and you're uncertain as to its legal status, please contact your local county attorney or the Attorney General's office to ensure legal compliance and avoid future problems with your gaming licenses.



Administrative and Court Actions

The following cases reached final administrative determination or court decision since the last issue of *Gaming Update*.

In the Matter of Rodeo Keno, Wahoo. Docket Number 97-019-35G. This case involved allegations of keno ball draw winning number selection with only two lottery workers. Without admitting liability, the organization paid an administrative fine of \$200. The case was dismissed on April 21, 1998.



In the Matter of Midwest Keno, Inc., Ashland. Docket Number 97-022-35G. This case involved allegations of failure to regrade a keno ticket. Without admitting liability, the organization paid an administrative fine of \$200. The case was dismissed on March 17, 1998.



In the Matter of Youth Athletic Association, Omaha. Docket Number 98-018-35G. This case involved allegations of delivery of pickle cards to an operator who did not possess a current authorization to sell pickle cards for Youth Athletic Association. Without admitting liability, the organization paid an administrative fine of \$200. The case was dismissed on March 17, 1998.



In the Matter of American Legion Post #11 – Hastings, Docket Number 97-024-35G. This case involved allegations that a licensed organization used someone other than a licensed utilization of funds member to purchase pickle cards from a licensed distributor in violation of the Nebraska Pickle Card Lottery Act. Without admitting liability, the organization paid an administrative fine of \$250. The case was dismissed on December 8, 1997.



In the Matter of Midwest Vending, Inc. d/b/a Buffalo Creek Inn – Springfield, Docket Number 98-020-35G. This case involved allegations that a

county/city lottery operator failed to notify the department within twenty-four hours of changes made to its keno prize pay tables in violation of the Nebraska County and City Lottery Act. The changes made to the pay tables resulted in substantial amounts of false winning tickets. Without admitting liability, the lottery operator paid an administrative fine of \$500. The case was dismissed on April 2, 1998.



In the Matter of 1339 South 35th Avenue, Inc. d/b/a Wooden Apple – Omaha, Docket Number 97-022-35G. This case involved allegations that the owner of a previously licensed pickle card operator was convicted of possessing an illegal gambling device in Douglas County, Nebraska in violation of the Nebraska Pickle Card Lottery Act. The department brought an action to deny the Wooden Apple's application for a pickle card operator's license for the 1997-98 license year. Following the hearing in this matter, the application for a pickle card operator's license submitted by Wooden Apple was denied by order of the Tax Commissioner on February 26, 1998.



Omaha Crusaders, Inc. v. Nebraska Department of Revenue, Lancaster County District court, Docket 561, Page 186. This case involved allegations that a licensed organization failed to submit completed annual reports to the department in violation of the Nebraska Bingo Act and the Nebraska Pickle Card Lottery Act. Following the Tax Commissioner's imposition of a \$2,000 fine at the administrative level, the organization appealed to the Lancaster County District Court. The case has since been dismissed for want of prosecution by order of the district court dated March 19, 1998, and the Tax Commissioner's order has become final.



Additional Administrative Actions Result in Fines for Late Filers

In the last edition of the *Gaming Update*, we explained that we would be imposing fines for violations of various statutorily required filing dates. Since that time, we have filed a total of 40 administrative actions against a variety of charitable gaming licensees seeking fines ranging from \$100 to \$400. The chart below summarizes the settlements to date.

The fines were imposed against those organizations and other entities which have **significantly** failed to meet the required filing deadlines — those which are **consistent late filers** or those which have filed reports or renewal applications **more than two weeks late**. It is hoped that by imposing fines such as these, the small minority of chronic late filers will be encouraged to meet the required due dates, thereby enabling the

Charitable Gaming Division staff to more effectively and efficiently serve **all** of our licensees.

It is quite likely that we will continue to seek fines of this nature, perhaps even more severe than those imposed during the past license year, against consistent repeat violators. We will take this action reluctantly, but firmly, in an effort to eliminate these types of unnecessary violations. Please help us to keep these enforcement efforts to a minimum by complying with all required filing due dates for both **annual reports and license renewal applications**. These due dates are listed in most publications issued by the Charitable Gaming Division and can also be found on the back cover of each edition of the *Gaming Update*.

NAME OF LICENSEE	LATE ANNUAL REPORT	LATE LICENSE APPLICATION	FINE PAID/ DISMISSAL DATE
Fraternal Order of Eagles Aerie 3623, West Point	✓		January 22, 1998
Our Lady of Guadalupe Church, Omaha	✓	✓	January 23, 1998
Fraternal Order of Eagles Aerie 3644, O'Neill	✓	✓	January 23, 1998
Husky Baseball Association Inc., Omaha	✓		January 29, 1998
Fraternal Order of Eagles Aerie 3132, Holdrege	✓		January 29, 1998
Fraternal Order of Eagles Auxiliary 2922, Lexington	✓		February 2, 1998
Fraternal Order of Eagles Aerie 4011, Tekamah	✓		February 3, 1998
Laurel Volunteer Fire Department	✓	✓	February 3, 1998
Valparaiso Volunteer Fire Department	✓		February 5, 1998
Northwest Omaha Renegades Youth AA Inc	✓		February 13, 1998
Omaha Jaycees	✓		February 23, 1998
American G.I. Forum Babe Gomez Chapter, Omaha	✓	✓	February 23, 1998
Fraternal Order of Eagles 2998, Gering	✓	✓	February 25, 1998
ACLU Nebraska Foundation, Lincoln	✓		March 4, 1998
Optimist Club of Minden		✓	March 16, 1998
American Legion Post 124, Mitchell		✓	March 18, 1998
Humphrey Volunteer Fire & Rescue		✓	March 20, 1998
Valley Jaycees		✓	March 20, 1998
Blue Hill Volunteer Fire Department		✓	March 20, 1998
Dave's Pub, Omaha		✓	March 20, 1998
100 th Meridian Bowl, Cozad		✓	March 23, 1998
Lil Joe's Bar, Silver Creek		✓	March 27, 1998
Joe's Corner, Omaha		✓	March 30, 1998
American Legion Post 226, St. Edward		✓	March 30, 1998
Mary Our Queen Church, Omaha	✓		April 20, 1998

1998 Legislative Session Nets No Changes to Gaming Laws



For the first time in . . . well, we can't even remember how long, the Nebraska Legislature ended its regular session without making a single change to the bingo, pickle

card, lottery/raffle, or county/city lottery laws. The short (60-day) session and the predominance of tax relief and educational finance bills introduced left little time for Senators to discuss much else. The lack of gaming changes will surely be viewed as good news by some, yet bad news by others. On one hand, it may be nice not having to learn and adapt to any new laws; however, there were some gaming bills introduced which could have helped nonprofit organizations, as well as counties, cities, and villages conducting keno, which are suffering lost gaming revenues as a result of competition for gaming dollars from our bordering states.

The need to review and examine Nebraska's gaming laws was on the minds of some Senators, however, even though time did not permit floor debate on any issues this year. The General Affairs Committee, comprised of Senators Cudaback, Hartnett, Hudkins, Janssen, Robak, Vrtiska, Will, and chaired by Senator Stan Schellpeper, introduced two Legislative Resolutions relative to gaming, both of which were adopted. The resolutions, which call for studies to be conducted during the interim period before the next legislative session begins in January, 1999, are as follows:

LR 397

To study gambling on the Internet, which is rapidly increasing. The study is to include an examination of the availability of gambling on the Internet, options for prohibiting or regulating Internet gambling, and a study of legislative efforts by other states in this area and the need for legislation in Nebraska.

LR 398

To study the significant declines in charitable gaming revenues over the past two years. This study is to include an examination of whether legislation is needed to make charitable gaming in Nebraska more interesting or competitive with activities in other states, whether legislation is needed to combat the use of illegal gaming devices in Nebraska, and if changes are needed in the regulation or taxation of charitable gaming.

Hearings on these two resolutions will be held later this year, giving the public an opportunity to offer testimony on these subjects. We encourage any of you who are interested in LR 397 or LR 398 to **contact the General Affairs Committee with your concerns** and comments which can be addressed to Senator Stan Schellpeper, District 18, State Capitol, Lincoln, Nebraska 68509.

Procedure For Pickle Card Operators to Report Defective Pickle Cards

Have you ever had to pull a pickle card game out of play because it was discovered the tabs would not open or because you noticed the game was comprised of more than one serial number or denomination? Or have you ever discovered that a game had too many big winners? These types of problems, although **fairly rare**, do occasionally happen. Most pickle card units supplied by licensed manufacturers in the State of Nebraska are of the highest quality, well designed, and assembled and packaged with care. However, production errors can and do occur when pickle cards are printed, glued, or packaged.

The Charitable Gaming Division needs to be informed of defective pickle cards found in Nebraska, so that we can contact the manufacturer of the game and address the problem in an expedient manner. The division does have a procedure in place for the reporting and handling of defective pickle card units so that licensed distributors, organizations, and pickle card operators can report such problems, and so that we can ensure the appropriate parties are properly reimbursed for defective games which have to be pulled out of play.

The Charitable Gaming Division requires licensed distributors and organizations to obtain permission from the division prior to furnishing any replacement unit to a pickle card operator, or before reimbursing a pickle card operator for any loss which may be incurred due to pulling a defective unit out of play. Here is how that procedure works:

- ✓ **First, the pickle card operator should contact the sales agent or licensed organization who sold them the defective pickle card unit.** The defective unit needs to be returned through the organization from which it was purchased, for record keeping and unit tracking purposes.
- ✓ **All unsold and redeemed pickle cards of the defective unit** along with the operator's records which reflect the amount of winners paid before the game was pulled from play have to be provided to the organization in order for the proper reimbursement to be determined.
- ✓ **The licensed organization then contacts the distributor** from which the unit was purchased and returns the unit to it. In turn, the distributor will

contact the manufacturer of the game. If a manufacturing defect is confirmed, the amount of winners paid by the operator up to the point the game was pulled is determined. Sometimes this will require the licensed distributor to open all of the remaining unsold cards. Additionally, the manufacturer may want the defective game returned.

- ✓ **The distributor then contacts the Charitable Gaming Division** which determines the refund amount due the operator. This is based on the number of cards sold and the amount of winners actually paid by the operator at the point the game was pulled from play. Upon agreement between the division and manufacturer, the division then directs the distributor to either write a check or furnish a new unit of cards to the pickle card operator.

This procedure has been in place for some time and has worked effectively to ensure that no operator loses any money on a defective pickle card unit. All pickle card operators and organizations should be using this procedure. If you have any comments or questions regarding this procedure, please feel free to contact us.

Pickle Card Dispensing Device Study Group Update

In the last issue of the *Gaming Update*, we advised our readers that the State Tax Commissioner had decided to **appoint a study group** to review various aspects of pickle card dispensing devices, and make recommendations to the Department of Revenue and the Legislature regarding ways to improve the regulation of such devices. At our invitation, a number of individuals contacted us to express their interest in serving on this study group.

We would still like to encourage representatives of pickle card manufacturers, distributors, licensed organizations (especially small to mid-sized licensees), and perhaps even a couple of licensed pickle card operators to help us by volunteering to participate in the study group. **If you or someone you know might be interested in serving on this study group**, please contact us at the Charitable Gaming Division, P.O. Box 94855, Lincoln, NE 68509-4855; Phone (402) 471-5937; Fax (402) 471-5608.

Tentative plans are to have the initial meeting of the study group take place in early September.

Additional information on this topic may be obtained by contacting us at the numbers listed above.

County/City Lottery News Briefs

- ❑ **Total dollars wagered** on keno for the period January 1, 1997 through December 31, 1997 were **\$157,103,428**. This represents a **decrease** of approximately six percent as compared to the total dollars wagered for the previous twelve-month period. Total dollars wagered on keno for the period January 1, 1998 through March 31, 1998 were \$40,294,721 which represents an **increase** of approximately six percent as compared to the previous quarter, October 1, 1997 through December 31, 1997 (\$38,081,112).
- ❑ The Cities of **Benkelman**, **Indianola**, and **Rushville** have discontinued their county/city lottery activities since our last publication. Due to an April 20, 1998 fire which totally destroyed the lottery operator's place of business, the City of **Ashland**'s lottery has ceased operating for an undetermined period.
- ❑ Unfortunately, another fire on May 10, 1998, forced the closure of the City of **Minatare**'s only keno location.
- ❑ The City of **Papillion** has a new lottery operator, Papillion Keno, Inc., licensed as of March 4, 1998. Papillion had been without a lottery operator since October 1, 1997. Still another fire at the end of March has temporarily closed Papillion's only location.
- ❑ The Cities of **Holdrege** and **O'Neill** and the Villages of **Creston**, **Nehawka**, and **Ong** have been issued county/city lottery licenses since our last publication. **David City** added a second lottery operator, Zeilinger Keno Partnership. **Sarpy County** has also added a second lottery operator, Flying J of Nebraska, Inc.
- ❑ During the May 12, 1998 election, the Cities of **Shelton** and **Wilber** and the Village of **Wolbach** voted to implement a county/city lottery. Similar measures were defeated in the City of **Ainsworth** and in **Brown County**.

- ❑ **Earlier this year, a new records retention and disposition schedule for Nebraska County/City Lottery Records - Schedule 59**, was approved by the State Records Administrator. It does not revise any of the county/city lottery records retention information previously provided by this agency and is consistent with Nebraska gaming law. Schedule 59 - County/City Lottery Records, supersedes Item 28-7-4 of the City Treasurer's Records Retention and Disposition Schedule (Schedule 28).

Records related to the payment of winning tickets may be subject to longer retention periods than those found in Schedule 59 due to Internal Revenue Service excise tax requirements. A copy of Schedule 59 was sent to all counties/cities/villages that are or have been licensed for county/city lottery activity and to licensed lottery operators. Please contact us if you need another copy of the retention schedule or if you have questions.

Department Hires New Attorney

The Department of Revenue is pleased to have acquired a new attorney to assist with charitable gaming-related cases. **Jean Angell** joined the department's Legal Division last December, and along with her gaming-related duties, will also be representing the department on sales, use and income tax issues. Prior to joining the department, Jean was a legislative aide for Senator Wm. R. Wickersham of the Nebraska Legislature, and also served as Deputy Madison County Attorney for five years prior to that. **Jean can be reached through the Lincoln office at (402) 471-5684.**

County/City Lottery Forms Updated

Please be advised that most of the county/city lottery license application forms have again been updated. The revision date is found in the lower right corner of each form. The only keno licensing form with substantial changes this year is the Affidavit by Spouse for Waiver of Fingerprinting and/or Personal History Record for Charitable Gaming License Application. Only the Affidavit with the most recent revision date (Rev. 11-97) will be accepted for gaming licenses. A prior version or any other waiver format is not acceptable.

All information on file with the Charitable Gaming Division for your county/city lottery is to be kept current. This includes new applications as well as promptly reporting cancellations on the applicable form and returning the outlet's or operator's license when possible. Items to be reported on our forms include changes to principals (officers, spouses, and corporate ownership of 10% or more) involved with a lottery operator or sales outlet, licensed lottery operators, licensed sales outlets, and licensed lottery workers. **Other items**

to keep current include copies of lottery operator agreements, prize payout schedules, and ordinances, resolutions, or governing body minutes dealing with keno issues. Sales outlets are not to begin operations until the applicable license is posted at the location. Lottery workers are not to start their duties until a Nebraska Schedule III - County/City Lottery Worker Application, Form 50G, is on file with this office. The 120-day probationary period for lottery workers begins when the Schedule III is personally delivered to our office or on the date the Schedule III is mailed based upon the postmark date on the envelope.

Please be sure to fully complete all county/city lottery applications accurately and to provide any required attachments. Ensure that the correct Nebraska Identification Numbers (NIN) are entered where requested. Any errors or missing data delay processing of your applications as they must be corrected or completed before the license is issued. In some cases, we will return the incomplete application to you for the necessary information prior to processing.

Series of Charitable Gaming Workshops Slated for July

Charitable Gaming Division staff will be traveling the state during the month of July to present workshops on a variety of gaming-related topics. It has been some time since similar workshops have been held. We will be addressing items such as electronic bingo, the new draft bingo regulations, recent changes in the gaming laws, recordkeeping, and renewal application changes. Knowledgeable staff will be on hand to answer all your gaming-related questions and to help you complete annual reports or license renewal applications. We strongly encourage all licensed bingo and pickle card organizations to have at least one representative in attendance. Here is the schedule:

DATE	CITY	LOCATION	TIME
July 6	Lincoln	Legionnaire Club, 5630 P St.	1:30 & 7:00 p.m.
July 7	Norfolk	White House Inn, 2206 Market Lane	1:30 & 7:00 p.m.
July 8	Omaha	Millard American Legion Post 374, 4618 S. 139th St.	1:30 & 7:00 p.m.
July 9	Beatrice	VFW Club, 124 S. 23rd St.	1:30 & 7:00 p.m.
July 13	Scottsbluff	Elks Club, 1614 First St.	7:00 p.m.
July 14	Scottsbluff	Elks Club, 1614 First St.	1:30 p.m.
July 15	North Platte	Stockman Inn, 1402 S. Jeffers St.	1:30 & 7:00 p.m.
July 16	Grand Island	United Vets Club, 1914 W. Capital Ave.	1:30 & 7:00 p.m.

If you have questions concerning the workshops, contact the Charitable Gaming Division of the Nebraska Department of Revenue, 301 Centennial Mall South, P.O. Box 94855, Lincoln, NE 68509-4855, Phone (402) 471-5937.

GAMING CALENDAR

July		October	
3	All State Offices Closed - Independence Day	1	First Day of 1998-99 License Year
6-16	Gaming Workshops - See schedule of locations and times on page 11 of this newsletter.	12	All State Offices Closed - Columbus Day
August		30	Form 51 Tax Return and Applicable Schedule(s) Due. Must be postmarked no later than October 30th. Organization Quarterly Reports Due. Forms 35C and 35D for bingo and pickle card activities must be postmarked by October 30th.
3	Pickle Card Operator License Renewal Applications Due. Pickle card operators must have their license renewal applications postmarked no later than Monday, August 3 rd , since August 1 st falls on a Saturday this year.	November	
17	ALL Other Annual License Renewal Applications Due. Organizations and commercial lessors must have their renewal applications postmarked no later than Monday, August 17 th , since August 15 th falls on a Saturday this year. Organization Annual Reports Due. Forms 35, 35A, and 35B for bingo, pickle card, and lottery/raffle activities must be postmarked no later than Monday, August 17 th , since August 15 th falls on a Saturday this year.	11	All State Offices Closed - Veterans Day
September		16	1999 Pickle Card Dispensing Device Registration Renewals Due. Applications to renew registration of pickle card dispensing devices must be postmarked no later than Monday, November 16 th , since November 15 th falls on a Sunday this year.
7	All State Offices Closed - Labor Day	26-27	All State Offices Closed - Thanksgiving Holiday
30	All Gaming Licenses (excluding County/City Lottery, Manufacturers, Distributors, and Manufacturers-Distributors) Expire at Midnight. Last Day of Third Quarter 1998.	December	
		25	All State Offices Closed - Christmas
		31	Last Day of Fourth Quarter 1998. 1998 Pickle Card Dispensing Device Registrations and Decals Expire at Midnight. Organizations and pickle card operators must have 1999 decals affixed to dispensing devices after midnight or cease using device.

Compulsive Gamblers Assistance

Gamblers Anonymous 1-800-GAMBLER (National)

- ✓ Gamblers Anonymous (Lincoln) (402) 473-7933
- ✓ Gamblers Anonymous (Omaha) (402) 978-7557
- ✓ Gamblers 12 Step & Family (Omaha) (402) 978-7899

- ✓ Family Services (Omaha) (800) 762-0868
- ✓ Nebraska Council on Compulsive Gambling (Bellevue) (402) 291-0980



P.O. Box 94855
Lincoln, Nebraska 68509-4855

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